

Virtual



Foundation for Lifetime

ANNUAL REPORT 2013-14

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Neeraj Kaushik
Managing Director

Mr. Prakash Chand Goyal
Whole Time Director

Mr. Prem Gupta
Independent Director

Mr. Umesh Bhat
Independent Director

Mr. Harish Shrivastava
Independent Director

Mr. Rahul Misra
Independent Director

MANAGEMENT

Mr. Pradeep Dutta
CEO

Mrs Ruma Mukherji
Vice-President

Ms. Nupur Garg
Internal Auditor

STATUTORY AUDITORS

M/s PVR-N & Co.,
2936/43, Saraswati Marg,
Karol Bagh,
New Delhi- 110 008

BANKERS

Axis Bank Limited
Punjabi Bagh Branch
Yes Bank
Punjabi Bagh Branch

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153A, 1st Floor,
Okhla Industrial Area, Phase- 1,
New Delhi- 110020

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Preeti Sharma

REGISTERED OFFICE

104, Palco House, 2162/ T-10,
Main Patel Road,
New Delhi- 110 008

CONTENTS

Chairman Speech.....	2
Notice.....	3
Directors' Report.....	12
Annexure to the Directors' Report.....	16
Management Discussion and Analysis Report.....	17
Corporate Governance Report.....	20
CEO Certificate.....	33
Independent Auditors' Opinion.....	35
Balance Sheet.....	39
Statement of Profit and Loss.....	40
Cash Flow Statement.....	41
Notes of Financial Statement.....	42
Attendance Slip and Proxy form.....	51

CHAIRMAN'S COMMUNIQUE

“Anyone who stops learning is old, whether at twenty or eighty. Anyone who keeps learning stays young.” - Henry Ford

Dear Shareholders,

I have great pleasure in welcoming you to the 21st Annual General Meeting of your Company. The entire world economy has gone through the most challenging period of its time during the year. Now, your company's business is associated across key elements of education delivery - Teaching, Learning, Assessment & Intervention, Governance, and Consulting Solutions that are designed to present customers with comprehensive and end-to-end solutions.

Your Company is proposing to train unemployed youth and having basic knowledge of Computers in the field of Internet Management and Distribution System and to operate the tablet. Training programmes are designed keeping in view the training needs emanating from new developments in the field. Training needs identified by the participants and the decision makers are also taken into consideration while designing the programmes. For this, your company has initiated a programme of Open education, which includes providing information via Projector and tablets.

Your Board has decided that we will train around 100 million youth by 2020 in Health Care, Agriculture, Information & Communication Technology, Banking & Accounting and Renewable Energy Sectors.

In this era, e-learning had grown at 14 times the rate of traditional learning. Open education is fast growing to become the dominant form of education, for many reasons such as its efficiency and results compared to traditional methods. Cost of education has been an issue throughout history and a major political issue in most countries today. Open education is generally significantly cheaper than traditional campus based learning and in many cases even free.

I am pleased to note that your Company, VGEL has tied up with the Telecom Industry by entering into an agreement with IKF Technologies Limited, who is having an 'A' Grade ISP License issued by Department of Telecommunication, Govt. of India, New Delhi in order to provide Internet Services all over India. As per the agreement, IKF will enter into a Partnership Agreement with all the ISP trained personnel for setting up a network in their locality for distribution of Internet Services and management thereof under the License.

At last, I would like to thank all the employees for their unstinted commitment and contribution in your Company. I continue to look forward to the "Board of Directors" guidance and your support during this challenging phase of the Company. I thank each shareholder for their continued support & trust placed in the Company. I am confident that with the dedicated & committed employees and valuable support & guidance of our esteemed shareholders, the Company will continue to fulfil its responsibilities and ensure enhancing value to its stakeholders.

Yours Sincerely,

Sd/-

Neeraj Kaushik
Managing Director

Notice

Notice is hereby given that the 21st Annual General Meeting of *M/s Virtual Global Education Limited* will be held on Monday, 22nd September, 2014 at Urdu Ghar, 212, Rouse Avenue, New Delhi-110002 at 1500 Hours, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the vacancy caused by the retirement by rotation of Mr. Prem Gupta, who has not sought re-appointment, be not filled in at this Meeting or any adjournment thereof."

3. To appoint **M/s PVR-N & Co. Chartered Accountants**, the Retiring Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 24th Annual General Meeting and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), **M/s PVR-N & Co. Chartered Accountants**, (Firm Registration No. 004062N), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of 21st Annual General Meeting till the conclusion of the 24th Annual General Meeting held thereafter (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without any modification(s) as may deem fit the following as a Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Umesh Bhat (DIN: 02663160), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 1 (One) year for a term up to the conclusion of the 22nd Annual General Meeting of the Company."

5. **To consider and if thought fit, to pass, with or without any modification(s) as may deem fit the following as a Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Rahul Misra (DIN: 01153325), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 1 (One) year for a term up to the conclusion of the 22nd Annual General Meeting of the Company.”

6. **To consider and if thought fit, to pass, with or without any modification(s) as may deem fit the following as a Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Harish Shrivastava (DIN: 01299101), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for 1 (One) year for a term up to the conclusion of the 22nd Annual General Meeting of the Company.”

7. **To consider and if thought fit, to pass, with or without any modification(s) as may deem fit the following as a Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 5 read with Section 14 of the Companies Act, 2013 (“ACT”) and all other applicable provisions, if any, of the Act or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof), the approval of the members be and is hereby accorded for adoption of the new set of Article of Association of the Company, as available for inspection in the Corporate office of the Company, in substitution for, and to exclusion of, the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the board of the Company, be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to the aforesaid resolution(s)”

For & on behalf of the Board of Directors
M/s Virtual Global Education Limited

Sd/-
Preeti Sharma
Company Secretary

Registered Office:
104, Palco House, 2162/T-10,
Main Patel Road, New Delhi-110008

Place: New Delhi
Date: 13.08.2014

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
2. Corporate Members intending to send their Authorized Representatives are requested to send a duly certified copy of Board Resolution authorizing the representatives to attend and vote in the General Meeting.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 19, 2014 to Monday, September 22, 2014 (both days inclusive).
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
7. Members are requested to notify any change in their address, if any to the Registrar & Share Transfer Agent of the company- M/s Skyline Financial Services Private Limited, D-153-A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110 020 in respect of the Physical Shares and to the Depository Participant in respect of the Shares held in Demat form.
8. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. Skyline Financial Services Private Limited and have it duly filled and sent back to them.
9. Electronic copy of the Annual Report for 2013-14 is being sent to all Members whose email ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
10. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Notice of 21st

Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. Appointment of Directors

As per the provisions of Section 152 of the Companies Act, 2013, Director of the Company retires by rotation at the ensuing Annual General Meeting. Mr. Prem Gupta has expressed his intention not to seek re-election as a Director of the Company.

There are Three Independent Directors on the Board of the Company as per the Listing Agreement requirements viz., Mr. Umesh Bhat, Mr. Rahul Misra and Mr. Harish Shrivastava. The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being the Independent Directors on the Board of the Company and are also independent of the management.

The proposal for appointment for Independent Directors under the Companies Act, 2013 shall be taken up for approval of the Members of the Company and details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment at the Annual General Meeting are provided in the Corporate Governance Report and in the Explanatory Statement to the Notice. The Directors seeking appointment have furnished the requisite declarations.

12. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:

- The voting period begins on September 16, 2014 (9:00 am) and ends on September 18, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ul style="list-style-type: none">• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number/member ID in the PAN field.• In case the folio number/member ID is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number/member ID 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Virtual Global Education Limited> on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - *Note for Institutional Shareholders*
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user, this should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - Mr. Abhishek Gupta, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.virtualeducation.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
14. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's investor email id: info@virtualeducation.in.
15. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form sent herewith or can be download from our website www.virtualeducation.in and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the form to reach Mr. Abhishek Gupta, Scrutinizer appointed by the Company at the registered office of the Company on or before September 18, 2014 (6.00 pm).
16. Members can choose only one of the two options, namely e-voting or voting through physical assent/dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.

17. The Results of e-voting, physical assent/dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.virtualeducation.in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on any working day between 1000 Hrs to 1500 Hrs up to the date of Annual General Meeting and also at the venue of Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4, 5 & 6:

Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava are Independent Directors of the Company and have held the positions as such for 1 (One) year.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company. It is proposed to appoint Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava as Independent Directors under Section 149 of Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 1 (One) year for a term up to the conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2015.

Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors.

The Company has also received declarations from Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement.

Brief resume of Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are enclosed herewith.

Copy of the draft letters for respective appointments of Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Umesh Bhat, Dr. Rahul Misra and Dr. Harish Shrivastava are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective appointments.